

## REPORTS

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*Our financial year 2021 reports include all Board committee reports, as well as our Risk Management, Compliance, and Information Technology and Systems reports.*

### Social, Ethics and Transformation Committee Report

The responsibilities of the Social, Ethics and Transformation (SET) Committee include monitoring of organisational ethics, responsible corporate citizenship, organisational transformation, the fulfilment of its statutory duties on behalf of the Group and any additional functions as delegated by the Board.

The SET Committee reports formally to the Board on each area within its mandate and makes recommendations to the Board for approval. The SET Charter, approved annually by the Board, more fully sets out the SET Committee's responsibilities and is available for review in the shareholder information section of our [website](#).

While the SET Committee has insight into the investment process, it is not accountable for trading or proxy voting decisions made by the investment team, which are operational decisions given the nature of the business. Our third annual Stewardship Report was produced in 2021 and provides insight into our stance on trending ESG themes, our engagement with investee companies and other stakeholders, and is available on our [website](#).

The composition of the SET Committee was restructured this year given the changes to the Board. With Prof Alexandra Watson and Mr Anton Pillay (CEO) having resigned from the SET Committee, the committee now comprises independent non-executive directors Ms Judith February (chairperson), Mrs Madichaba Nhlumayo and Mr Phakamani Hadebe as well as executive director Ms Mary-Anne Musekiwa (CFO), each of whom lend a wealth of experience and diverse perspectives to SET Committee discussions. SET Committee meetings are also attended by the COO and the heads of talent management and marketing by invitation.

The SET Committee is supported in the execution of its mandate by employee and management committees, namely the Employment Equity and CSI committees. The Company Secretary serves as the secretary to the Committee. The activities of these committees are formally reported to the SET Committee at each meeting. The SET Committee met twice during 2021, and each meeting was fully attended by its members. In its deliberations during the year, the SET Committee considered substantive local and international regulations and frameworks, as well as leading industry practice. Furthermore, the SET Committee received feedback on the monitoring, assessment and measurement of Group activities as they relate to social and economic development, and transformation and ethics, including the Group's standing in terms of the goals and purposes of, inter alia, the following:

- The Companies Act;
- UN Global Compact 10 Principles;
- Organisation for Economic Co-operation and Development recommendations regarding corruption;
- the Employment Equity Act, No. 55 of 1998; and
- the B-BBEE Act, No. 53 of 2003.

## Key areas of focus 2021

### Labour and employment practices

The SET Committee oversees that meaningful transformation is taking place within the business in terms of recruitment, employee retention and career development, as well as the development of the workforce pipeline through the Coronation Exceptional Students Bursary Programme.

### Occupational health and safety

At each meeting, the SET Committee receives an update on the Company's compliance with occupational health and safety regulations. This topic has received increased attention given the impact of Covid-19 on workplace safety. During the period under review, no material or fatal injuries were reported, and the SET Committee is satisfied that the Company takes the necessary steps to implement health and safety regulations across all its locations.

### Organisational ethics

The SET Committee oversees the promotion of an ethical culture, equality and prevention of unfair discrimination, including monitoring adherence to the Code of Ethics and related policies. The Committee is also responsible for monitoring the results of the anonymous whistle-blowing mechanism, maintained by an independent third party.

### Corporate citizenship

The SET Committee receives a detailed review of CSI programmes and spend, and provides guidance and input on the strategic direction of the CSI programmes.

### UN SDGs

The SET Committee understands the need to align the Company's strategy and objectives to the needs of society, and this year saw the introduction of the UN Sustainable Development Goals (SDGs) into the Company's projects and reporting. → *Refer to page 41* for a summary of the SDGs relevant to the Company. The incorporation of and reporting on the SDGs is a positive step in our journey to improve our sustainability reporting. The SET Committee will oversee and receive updates on the projects and initiatives that align with the SDGs.

### Transformation

A focal point of the SET Committee's agenda is the oversight and monitoring of the Company's transformational targets and implementation of the Company's transformation strategy. At each meeting, the SET Committee receives detailed reports from management on its progress in meeting its transformation targets. The SET Committee also receives the minutes of the employment equity forum. → *Refer to page 70* for a detailed overview of the Company's standing in respect of its transformation strategy.

### Stakeholder engagement

The SET Committee reviewed a summary of engagements with material stakeholders, including the numbers and method of engagement, and the nature of discussions held. No material matters requiring the focus of the SET Committee were noted during the year. The SET Committee relies on management for the implementation of strategies and initiatives, of which the primary contributors are the management team and the Employment Equity and CSI committees.

### Committee assessment

In compliance with principle 9, practice 73 of King IV™, the Company undertakes a formal, externally managed evaluation every two years (last conducted in 2020) and undertakes a self-assessment managed by the Company Secretary every alternate year. Accordingly, a self-assessment was completed in 2021 and the Committee is of the opinion that it has effectively discharged its responsibilities in terms of its mandate, a view that has been affirmed by the Board.

### Future focus

The SET Committee will continue to apply focus to the Group's relationships with its stakeholders, as well as public perception of the Company. Additionally, continued focus will be applied on meaningful transformation initiatives within the business, the financial services industry and the nation, insofar as the business is able to impact these areas. The Committee identified the need to improve the Company's reporting on environmental sustainability matters, and this matter will receive increased attention at each meeting.

The SET Committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose. The SET Committee remains focused on ensuring the maintenance of an ethical culture within Coronation, to ensure that we serve as a reliable and trusted custodian of our clients' assets, and because we realise this is good for business and our duty to model best practice as a large corporate citizen in South Africa.

